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STATISTICAL BULLETIN

Volume 19, No. 2, February, 1986

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THE CONFERENCE BOARD'S STATISTICAL BULLETIN COMMENTARY

* LABOR MARKET REBOUND CONTINUES
* PERSONAL INCOME GROWING MODERATELY, AND
* CONSUMER SPENDING IS EXPANDING
* CONSTRUCTION, ESPECIALLY NONRESIDENTIAL, IS BOOMING
* INDUSTRIAL PRODUCTION IS RISING
* BUT NEW ORDERS ARE COMING IN SLOWLY
* OUTLOOK * FORECASTERS HAVE RAISED THEIR SIGHTS FOR BOTH THE FIRST AND SECOND HALVES OF 1986

OVERVIEW. The collapse in oil prices certainly enhances prospects for more growth and less inflation in 1986. With lower energy prices, consumers will spend less for gasoline and home heating oil. That will allow them to spend more on other things. Lower prices, then, will have the effect of a rise in income. Given the already low savings rate, more income will quickly lead to more spending.

Lower energy prices will also help reduce production costs. And business will produce more as consumer spending quickens. More sales and lower costs will enhance prospects for profits. More production will bring some idled capacity on stream. Higher capacity utilization may convince planners to invest in new capacity. More profits may mean more internal funds will be available for investment.

The collapse of oil prices will certainly reduce inflation expectations. The inflation premium in interest rates, then, should come down. Lower interest rates will mean lower financing charges on funds borrowed for consumer spending or business investment.

How much faster will the economy grow? In each of the last 3 months, The median **Economic Forecast** for real GNP's growth was 3%, seasonally adjusted annual rate, for the 4-quarter span ending in the fourth quarter of 1986. That median was raised to 3.[illegible]% in the latest computer runs.

DOMESTIC MARKETS MONITOR

Labor market improvements have outpaced expectations. **The Economic Forecasts** indicated that the unemployment rate might fall to 6.7% by the second quarter of 1986. But steady gains in service employment, modest increases in manufacturing and a surge in construction hiring all helped bring the unemployment rate down to 6.7% in January.

Total hours worked in private industry continue to rise at a fairly brisk pace. It was 5.4% higher, annual rate, in January than 3 months earlier. Indeed, retail trade, one of the few industries in which the workweek fell in December, had a rise in January. But the big change was in the construction workweek. To 38.5 hours in January, from 37.2 hours in December. The rise in total hours is a strong signal that the economy has developed some momentum. The sharp rise in construction hours may suggest that the ongoing boom in nonresidential building will continue.

The Conference Board's **Help-wanted Index** has been rising slowly over the last few months. The upward trend in this measure of the intensity of labor demand suggests that employers may continue to hire new workers over the next few months. But there is no sign that pay rates are going up. The average hourly rate in private industry has remained at $8.70 for the last 5 months. Employers can afford to hire, then, but can't afford to relax their policy of wage-gain moderation.

The rise in employment and in hours worked, but not hourly pay rates, has quickened the pace of income growth. Nonwage income has also started to climb. For example, rental income surged to $18.9 billion in December from $11.7 billion in August.

Growth in consumer installment debt slowed in November and December. Auto sales fell and so did auto loans. And revolving credit slowed in December. Considering the faster pace of car sales in January, auto loans undoubtedly increased.

The rise in retail sales was surprisingly small in January. Consumers are getting somewhat higher wages, more rental income, more stock dividends and are seeing the value of their stocks rise in an ongoing bull market. But the retail sales data suggest that they are shopping carefully before making a purchase. For example, domestic car sales improved in January as consumers took advantage of discount-loan incentives. Sales of foreign cars, however, fell. Durable-goods sales improved in December and January. But meager gains in nondurable sales in December were followed by declines in January.

After falling for 3 months, single-family home sales rebounded in November and December. But sales remain lower than in July. The sales recovery, and some recent decline in building activity, helped pare the inventory ac-

Bob Ortner, Editor

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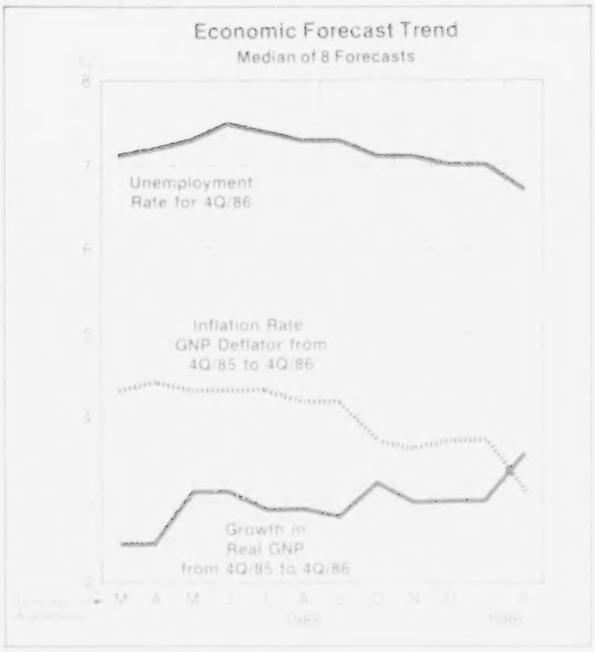


cumulation of unsold homes that inventory charts and expectations that sales might continue to recover, has spurred homebuilders to step up construction. Still, multi-unit housing starts have been rising faster or for longer than single-unit starts.

Nonresidential construction has risen more sharply in recent months than has homebuilding. The deflated value of new construction on industrial, office and commercial buildings was sharply higher in December. Even construction on roads and highways is coming on strong.

Industrial production was 1.2% higher in December than 3 months earlier. Over the prior 3 months, it increased by 0.2 percent. The rise in manufacturing has helped bring some idled capacity back into service. The capacity utilization rate, which had dropped to 79.8% in October, was up to 80.5% in December. Despite gains in production and capacity, few would be prepared to view orders as very strong. Except for a sharp pickup in commercial aircraft orders, remain sluggish. In fact, durable orders minus aircraft were no higher in December than last August. Orders for primary and fabricated metals as well as machinery and transportation almost 40% of the total fell in December. Production gains, then, have been accomplished by reducing the backlog of old orders.

INVENTORY: Car sales fell in October and November and car lots filled up. With the pickup in sales in December and January, some of those lots were probably emptied. But the inventory data also show that durable goods piled up on retail shelves in November. The gain in retail sales of durables (except autos) may have helped empty some of those shelves.

PRICES: After firming for 2 months, commodity prices fell in January. Food prices, up sharply in the prior 2 months, fell in January — as did meat prices. Metal prices, however, rose 1.4% in January, following a 1.7% rise in December.

But the biggest news on commodity prices has to be the steep drop in oil prices on the spot market. There is some suggestion that lower oil prices might make a full percentage point difference in the inflation rate this year.

INTERNATIONAL MONITOR

Imports have been rising at a somewhat slower pace in the last few months. Imports were 3.4% higher in December than 3 months earlier, but had risen by 5.6% over the prior 3 months. Fuel shipments were 14.3% higher in December than 3 months earlier. But shipments of manufacturing material — for further assembly — and for food and chemicals were all lower in December than 3 months earlier. Whether that reflects a change in trend, temporary aberration, or statistical fluke bears careful watching.

Exports are falling. Exports were 4% lower in December than 3 months earlier. That principally reflects a 7% drop in manufacturing products. Thus, the trade deficit hasn't narrowed despite somewhat slower imports.

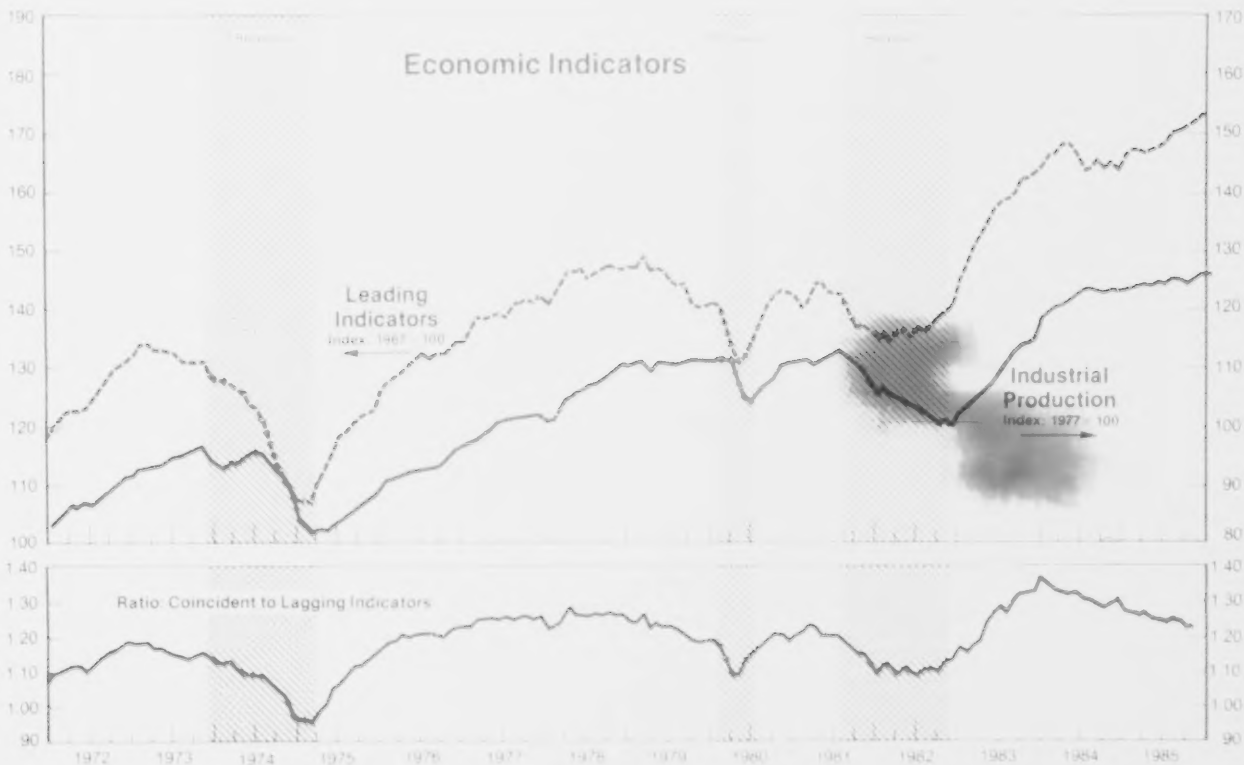
Ken Goldstein
February 12, 1986

STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over latest three months	Change From Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	Dec	x			+ 1.8%	+ 5.8%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	Dec		x		-4.8%	+ 9.9%
New orders, nondefense capital goods (deflated)	Dec		x		-2.3%	-12.2%
*New business formation	Dec			x	-2.0%	1.3%
*Housing permits	Dec	x			3.6%	-17.2%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	Dec		x		-0.8%	- 2.7%
*Change in inventory, on hand & order (deflated)	Nov	x			4.6%	8.9%
Purchasing agents' buying policy	Jan		x		1.0%	7.0%
*Vendor performance, reported slower deliveries	Jan		x		0.0%	1.0%
Industrial raw materials prices	Jan		x		0.3%	7.1%
*Change in sensitive material prices	Dec		x		0.4%	+ 0.3%
Sensitive Financial Flows						
*Money balance (M2 deflated)	Dec		x		- 0.1%	+ 4.2%
Change in business loans	Dec	x			50.2%	-39.9%
*Change in credit outstanding	Dec		x		1.8%	- 4.4%
Change in consumer installment debt	Nov			x	10.1%	14.4%
Profitability						
Total corporate profits, after tax (deflated)	3rd Q	x			3.6%	1.9%
*Common stock prices	Jan	x			1.8%	- 21.3%
Marginal Employment Adjustments						
*Average workweek, mfg	Dec	x			0.2hr	0.3hr
*Initial unemployment claims, inverted	Dec			x	2.6%	1.3%

Note: For a description of the Leading Indicators, see Geoffrey H. Moore and Julius Shiskin, *Indicators of Business Expansions and Contractions* (Washington, D.C.: Government Printing Office, June, 1967).

*These twelve series make up the Composite Index of Leading Indicators.

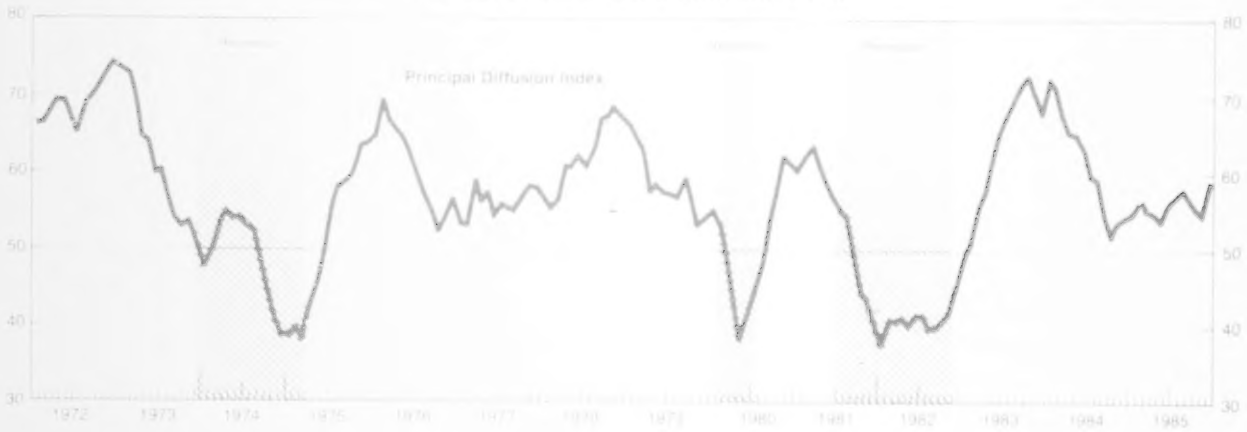


CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1984 Dec	1985 Sept	Oct	Nov	Dec (p)
Principal Diffusion Index	52.3	59.8	55.4	54.6	59.0
Auxiliary Diffusion Index	47.6	58.0	41.6	47.0	64.4
Industrial Group	44.6	60.1	47.4	56.9	60.6
Nonindustrial Group	57.9	57.8	49.6	54.0	57.5
Sense of Diffusion	+	+	+	+	+
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	57.1	64.3	50.0	61.9	67.9
Labor	57.1	57.1	50.0	60.7	63.5
Miscellaneous	38.5	65.4	50.0	44.2	42.3
Nonindustrial Subgroups					
Prices	59.1	63.6	59.1	45.5	54.5
Consumer	54.5	63.6	59.1	67.5	66.7
Building	57.9	63.1	54.5	52.6*	59.0
Miscellaneous	46.2	53.8	42.9	47.0	49.4

Note: The principal diffusion index is the percentage of the 78 diffusion components showing increases over the month indicated. The index is based on the 13 components in the Composite Index of Leading Indicators, with components weighted by their relative importance in the index, but the direction of recent changes is weighted more heavily than changes in the past. Components are compared over a span of six months, the current month and the month five months earlier. Components showing no change are counted as half. Details may not add to totals because of rounding. If the figure for the month indicated is greater than 50, it means that a majority of the components in the index showed increases over the six-month period. Certain other indexes are also published in this table. The auxiliary diffusion index counts components that showed increases over the six-month period. On the other hand, the industrial group and nonindustrial group indexes count components showing increases over the past month only. The sense of diffusion indicates whether the principal index is considerably greater than 50 (+), considerably less than 50 (-), or close to 50 (=). (p) Preliminary. * Revised. Source: The Conference Board (CBI) and Dun & Bradstreet (DBI).

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1983 May	Aug	Nov	1984 Feb	May	Aug	Nov	1985 Feb	May	Aug	Nov
						Scores (scale 0-100)					
Measure of Business Confidence	70	70	51	68	63	61	57	61	52	51	55
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	60	60	40	70	58	50	48	62	48	45	53
2. Expectations for Economy Six Months Ahead	78	74	58	67	66	66	62	61	53	53	56
3. Expectations for Own Industry Six Months Ahead	72	69	55	67	65	66	59	61	55	54	56

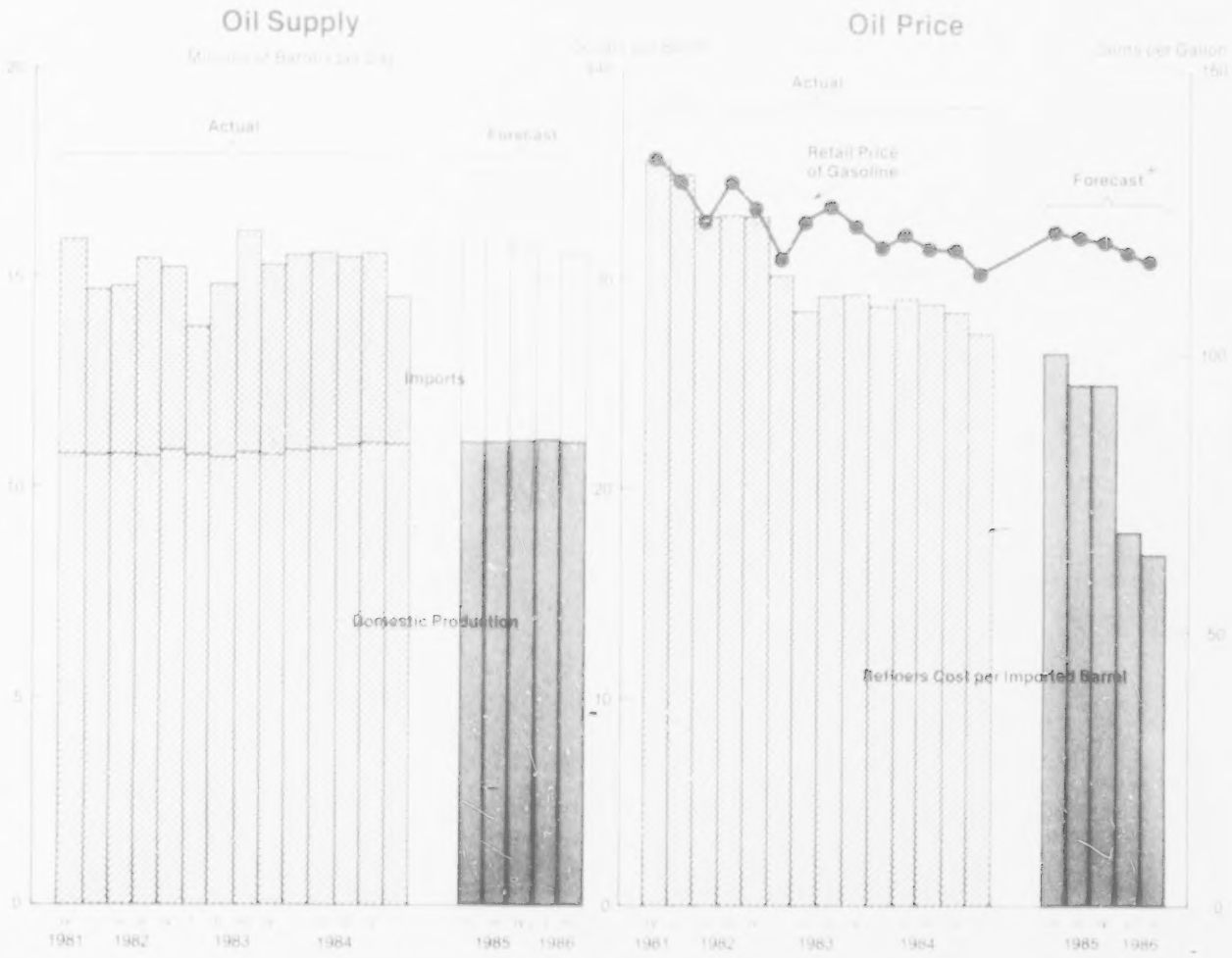
The Measure of Business Confidence is the average of the scores for the three principal questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question and the overall Measure of Business Confidence thus can range from 0 to 100.

CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS AND INVESTOR-OWNED UTILITIES

Billions of Dollars, Seasonally Adjusted

	1984				1985			Percent Change From Previous Year	
	I	II	III	IV	I	II	IIIp	1984 Actual	1985 Actual*
1000 LARGEST MANUFACTURING FIRMS									
New appropriations									
Capital expenditures									
Change in appropriations backlog									
Durable Goods									
New appropriations									
Capital expenditures									
Change in appropriations backlog									
Nondurable Goods									
New appropriations									
Capital expenditures									
Change in appropriations backlog									
ELECTRIC & GAS UTILITIES									
New appropriations									
Capital expenditures									
Change in appropriations backlog									

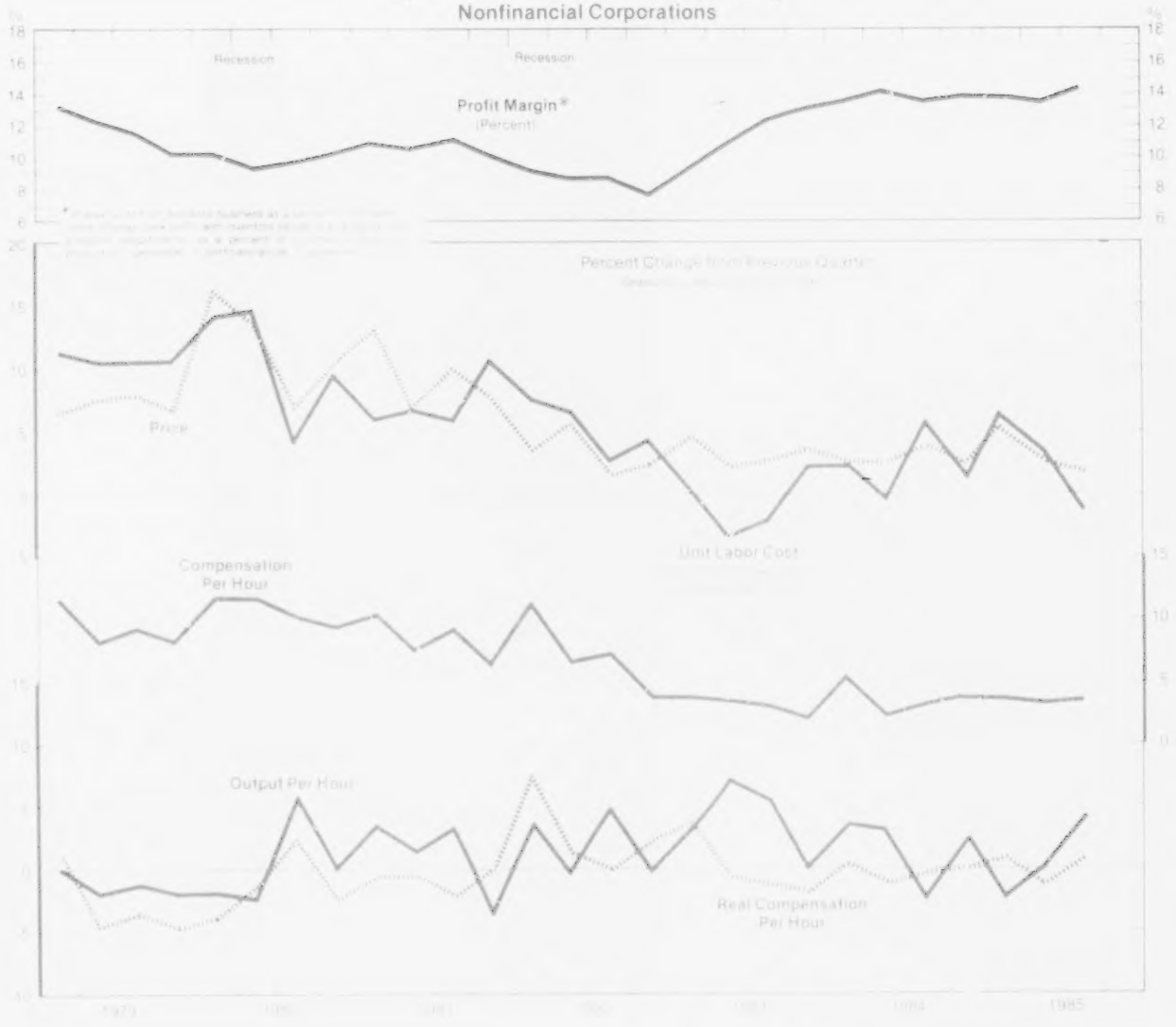
Average of quarterly data for 1984 and 1985 are annual rates. Percent changes are calculated from unrounded data. Detail may not add to totals because of rounding.
Seasonally adjusted data are used where available.
p Preliminary
* Forecast
Change in backlog = New appropriations - Capital expenditures
Source: Conference Board Capital Appropriations Survey



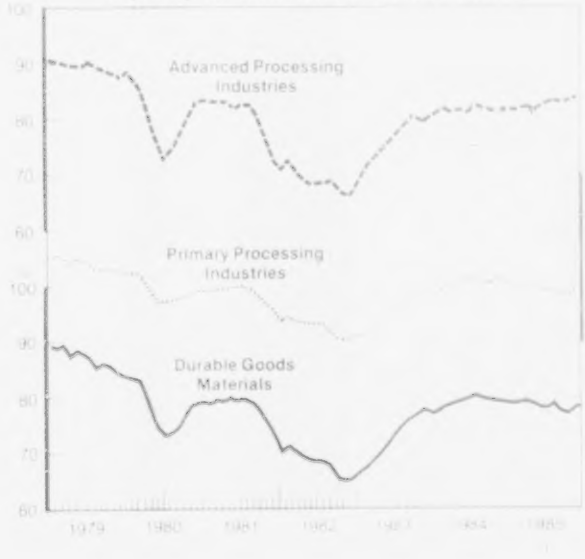
*Source of Forecast is The Energy Information Administration, Department of Energy

Key Determinants of Profit Margin

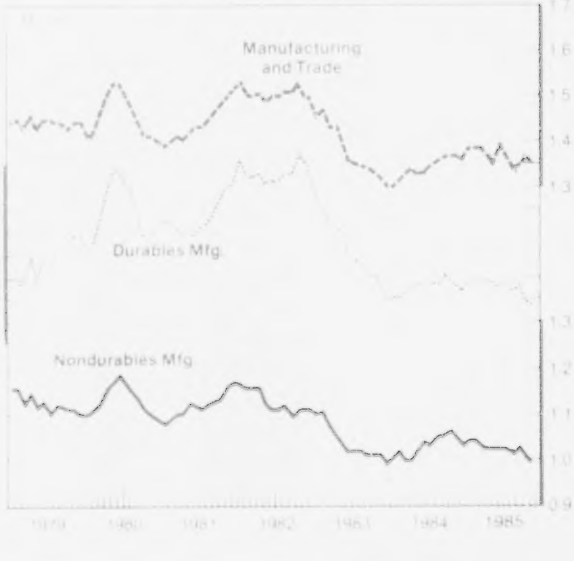
Nonfinancial Corporations



Capacity Utilization Rates Manufacturing



Inventory-Sales Ratios



ECONOMIC FORECASTS

			U.C.L.A.[1] Business Forecasting Project		Merrill Lynch[1] Economics Inc		E.I. duPont[1] de Nemours & Co		Georgia State University[1]	
Date of Forecast			*Jan. 1986*		*Jan. 1986*		*Jan. 1986*		*Jan. 1986*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product										
Billions of Current Dollars										
Actual	1985	IV	$4075.1	5.9%	$4075.1	5.9%	$4075.1	5.9%	$4075.1	5.9%
	1986	I	4110.8	6.1	4130.1	7.5	4107.6	8.3	4154.1	8.0
		II	4159.8	7.4	4211.8	8.3	4208.3	7.8	4274.8	8.0
		III	4206.4	8.4	4294.0	8.9	4284.8	7.4	4374.3	5.8
		IV	4266.8	8.8	4378.0	8.7	4367.3	6.6	4436.8	7.0
	1987	I	4311.1	10.2	4464.1	7.5	4411.4	5.7	4514.1	6.4
		II	4367.8	9.4	4550.4	8.8	4494.1	6.8	4610.4	5.8
		III	4469.1	8.4	4639.4	8.8	4583.5	6.9	4718.5	5.2
		IV	4564.1	8.8	4733.5	8.2	4677.1	7.0	4825.0	5.4
	1988	I	4661.0	8.2						
Actual	1985	Annual	3992.5	5.8	3992.5	5.8	3992.5	5.8	3992.5	5.8
	1986	Annual	4211.5	6.0	4303.1	7.8	4296.8	6.1	4454.1	6.4
	1987	Annual	4678.1	9.0	4846.9	8.8	4791.5	6.9	4917.0	6.7
Gross National Product										
Billions of Constant (1982) Dollars										
Actual	1985	IV	$3605.0	2.4%	$3605.0	2.4%	$3605.0	2.4%	$3605.0	2.4%
	1986	I	3621.1	2.6	3636.1	3.8	3617.4	3.1	3658.5	4.0
		II	3650.1	3.5	3696.1	4.8	3694.1	3.8	3752.3	3.8
		III	3686.1	3.5	3763.0	4.7	3754.4	3.4	3834.0	2.4
		IV	3735.1	3.8	3833.0	4.7	3824.1	3.4	3884.4	3.4
	1987	I	3771.1	4.8	3906.0	4.8	3858.4	3.8	3949.3	3.9
		II	3819.4	4.6	3979.4	4.7	3931.1	3.4	4033.4	3.5
		III	3907.1	5.7	4057.4	4.7	4008.5	3.8	4126.5	3.7
		IV	3990.1	6.8	4140.5	4.7	4091.1	3.9	4225.0	3.8
	1988	I	4075.1	8.1						
Actual	1985	Annual	3573.8	2.3	3573.8	2.3	3573.8	2.3	3573.8	2.3
	1986	Annual	3689.1	3.2	3782.3	4.0	3761.5	3.4	3900.1	3.7
	1987	Annual	3872.1	4.9	4021.9	4.7	3973.5	3.8	4083.5	3.8
Gross National Product deflator										
Index 1982 = 100										
Actual	1985	IV	113.0	3.5%	113.0	3.5%	113.0	3.5%	113.0	3.5%
	1986	I	113.5	3.5	113.6	3.8	113.6	3.9	113.6	2.9
		II	113.9	3.6	114.0	3.7	113.9	3.8	114.0	3.0
		III	114.2	3.4	114.1	3.7	114.1	3.8	114.2	3.3
		IV	114.2	3.0	114.2	3.7	114.2	3.5	114.2	3.5
	1987	I	114.3	3.0	114.3	3.7	114.3	3.5	114.3	3.4
		II	114.4	3.3	114.4	3.7	114.4	4.2	114.4	4.2
		III	114.4	3.5	114.4	3.6	114.4	4.5	114.4	4.5
		IV	114.5	3.0	114.5	3.6	114.5	4.0	114.5	4.5
	1988	I	114.6	2.9						
Actual	1985	Annual	111.7	3.4	111.7	3.4	111.7	3.4	111.7	3.4
	1986	Annual	113.7	3.4	113.8	3.9	113.8	3.8	113.9	3.4
	1987	Annual	114.4	3.4	114.4	3.7	114.4	4.0	114.4	4.0
Unemployment Rate										
Actual	1985	IV		7.0%		7.0%		7.0%		7.0%
	1986	I		7.0		6.9		7.1		6.8
		II		7.1		6.8		6.9		6.8
		III		7.2		6.7		6.8		6.8
		IV		7.2		6.6		6.8		6.8
	1987	I		6.9		6.6		6.7		6.6
		II		6.8		6.5				6.5
		III		6.8		6.4				6.6
		IV		6.7		6.3				6.6
	1988	I		6.7						
Actual	1985	Annual		7.1		7.1		7.1		7.1
	1986	Annual		7.0		6.7		6.9		6.7
	1987	Annual		6.9		6.5				6.6

Notes: Percentage changes represent compound annual rates of change from preceding period. Quarterly data are seasonally adjusted.

[1] Based on revised fourth quarter data.

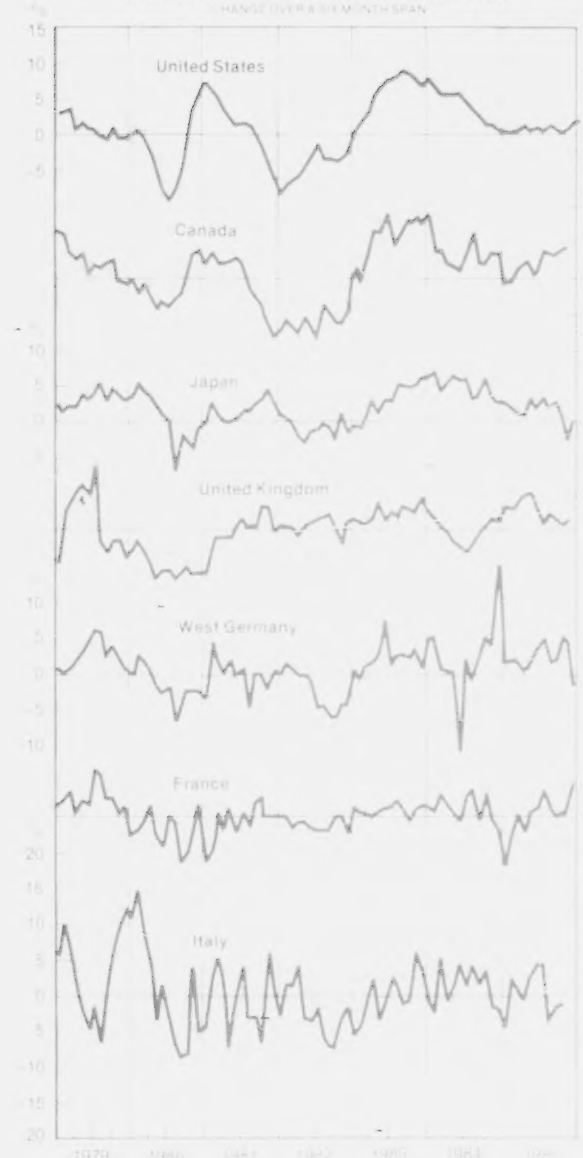
ECONOMIC FORECASTS (continued)

The Conference Board[1]		Chase Econometric Associates, Inc.[1]		Data Resources Inc.[1]		Wharton E.F.A., Inc.[1]				
Jan. 1986		Jan. 1986		Jan. 1986		Jan. 1986		Date of Forecast		
Level	Percent Change	Level	Percent Change	Level	Percent Change	Level	Percent Change			
								Gross National Product Billions of Current Dollars		
$4078.1	5.9%	$4075.1	5.9%	$4075.1	5.9%	$4075.1	5.9%	IV	1985	Actual
4339.2	6.5	4341.3	6.5	4339.5	6.5	4333.0	5.9	I	1986	
4640.8	6.6	4635.5	6.5	4536.1	4.5	4196.8	6.1	II		
4924.9	7.7	4918.0	7.6	4734.0	5.8	4769.4	7.2	III		
5188.2	8.7	5180.4	8.7	4950.4	4.6	4356.2	8.4	IV		
5410.0	8.7	5400.1	8.7	5257.9	6.2	5433.5	7.3	I	1987	
5643.0	8.9	5627.1	8.7	5447.7	7.5	5809.1	6.4	II		
5880.0	9.6	5854.3	9.4	5649.2	7.5	6175.5	6.6	III		
6078.3	7.1	6047.1	6.7	5840.0	7.1	6540.0	6.0	IV		
		6255.3	6.9	6038.1	8.4	6715.4	6.2	I	1988	
3992.5	5.8	3992.5	5.8	3992.5	5.8	3992.5	5.8	Annual	1985	Actual
4317.1	7.1	4317.4	7.4	4317.1	7.6	4240.9	6.2	Annual	1986	
5481.1	4.8	5480.8	6.2	5481.1	6.2	5545.7	7.1	Annual	1987	
								Gross National Product Billions of Constant (1982) Dollars		
$3605.0	2.4%	$3605.0	2.4%	$3603.0	2.4%	$3605.0	2.4%	IV	1985	Actual
3691.0	2.4	3691.0	2.4	3694.0	2.5	3630.0	2.8	I	1986	
3801.8	3.0	3801.8	3.0	3788.0	2.5	3687.9	3.1	II		
3906.0	3.3	3906.0	3.3	3866.0	2.0	3810.4	3.9	III		
4001.1	3.0	4001.1	3.0	3937.1	1.8	3900.0	5.0	IV		
4062.8	2.5	4062.8	2.5	3988.1	1.3	4275.7	4.1	I	1987	
4124.8	2.5	4124.8	2.5	4037.1	2.7	4422.8	3.4	II		
4191.0	2.9	4191.0	2.9	4091.1	3.9	4555.1	3.0	III		
4247.1	2.7	4247.1	2.7	4141.1	3.3	4659.3	2.4	IV		
		4307.1	2.8	4201.1	3.3	4757.0	2.1	I	1988	
3573.6	2.3	3573.6	2.3	3573.6	2.3	3573.6	2.3	Annual	1985	Actual
3646.3	2.0	3646.3	2.0	3646.3	2.0	3646.3	2.0	Annual	1986	
3779.8	3.7	3779.8	3.7	3779.8	3.7	3779.8	3.8	Annual	1987	
								Gross National Product deflator Index: 1982 = 100		
113.0	3.5%	113.0	3.5%	113.0	3.5%	113.0	3.5%	IV	1985	Actual
113.4	2.8	113.4	2.8	113.4	2.5	112.9	3.0	I	1986	
113.8	4.0	113.8	3.8	113.8	2.7	113.7	2.9	II		
114.2	4.3	114.2	4.3	114.2	3.7	113.4	3.2	III		
114.6	3.6	114.6	3.6	114.6	3.0	113.9	3.2	IV		
115.0	4.2	115.0	4.2	115.0	3.6	115.0	3.0	I	1987	
115.4	3.9	115.4	3.9	115.4	3.2	115.4	3.0	II		
115.9	3.9	115.9	3.5	115.9	3.4	115.9	3.5	III		
116.5	4.0	116.5	3.2	116.5	3.7	116.5	3.9	IV		
		116.9	3.8	116.9	3.5	116.9	4.0	I	1988	
111.7	3.4	111.7	3.4	111.7	3.4	111.7	3.4	Annual	1985	Actual
112.3	3.4	112.3	3.3	112.3	3.1	112.2	3.1	Annual	1986	
113.2	2.5	113.2	3.8	113.2	3.2	115.8	3.2	Annual	1987	
								Unemployment Rate		
	7.0%		7.0%		7.0%		7.0%	IV	1985	Actual
	7.1		7.1		7.0		7.0	I	1986	
	7.0		7.0		6.9		7.1	II		
	6.9		6.9		6.9		7.0	III		
	6.7		6.7		6.9		6.9	IV		
	6.7		6.7		6.9		6.8	I	1987	
	7.0		7.0		7.0		6.9	II		
	7.0		7.0		6.9		6.8	III		
	7.0		7.0		6.9		6.8	IV		
			6.9		6.9		6.8	I	1988	
	7.1		7.1		7.1		7.1	Annual	1985	Actual
	6.9		6.9		6.9		7.0	Annual	1986	
	7.1		6.9		6.9		6.9	Annual	1987	

Please Note: In the interest of speeding the data delivery time, this publication is now being typeset directly through The Conference Board Data Base. For more information contact Linda Stern Weber or Ken Goldstein at (212) 759-0900.

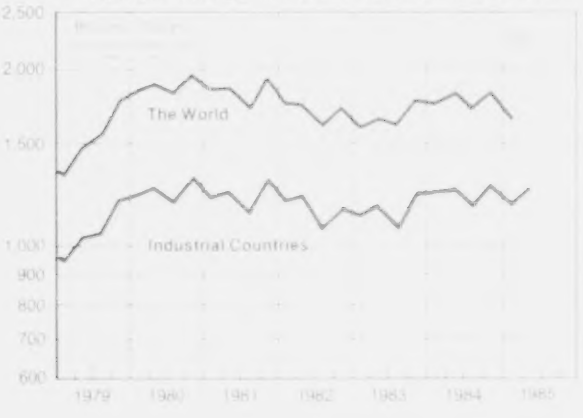
SELECTED INTERNATIONAL COMPARISONS

INDUSTRIAL PRODUCTION INDEXES

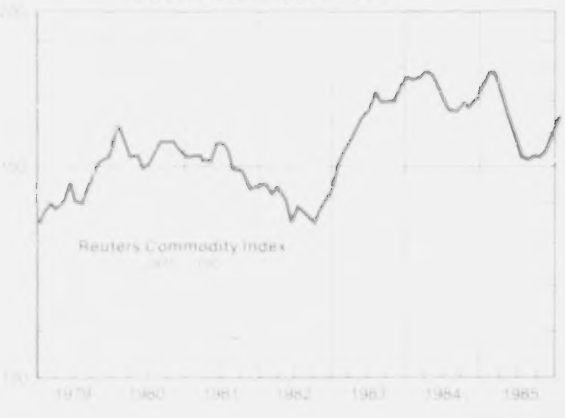


LEADING BUSINESS CYCLE INDEXES

MERCHANDISE TRADE VALUE OF EXPORTS

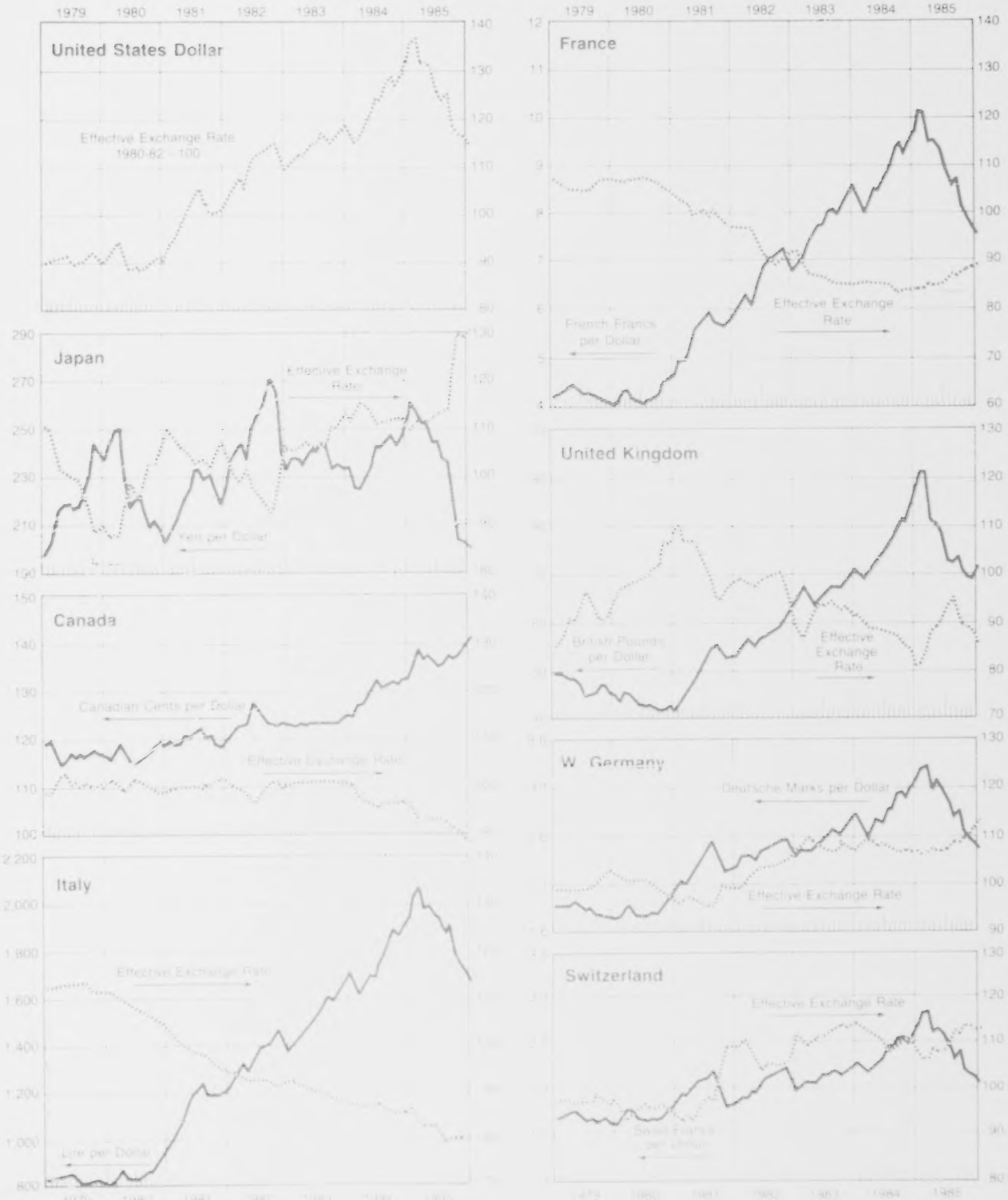


RAW MATERIALS PRICES



Foreign Exchange Rates

Indexes: 1980-82 = 100



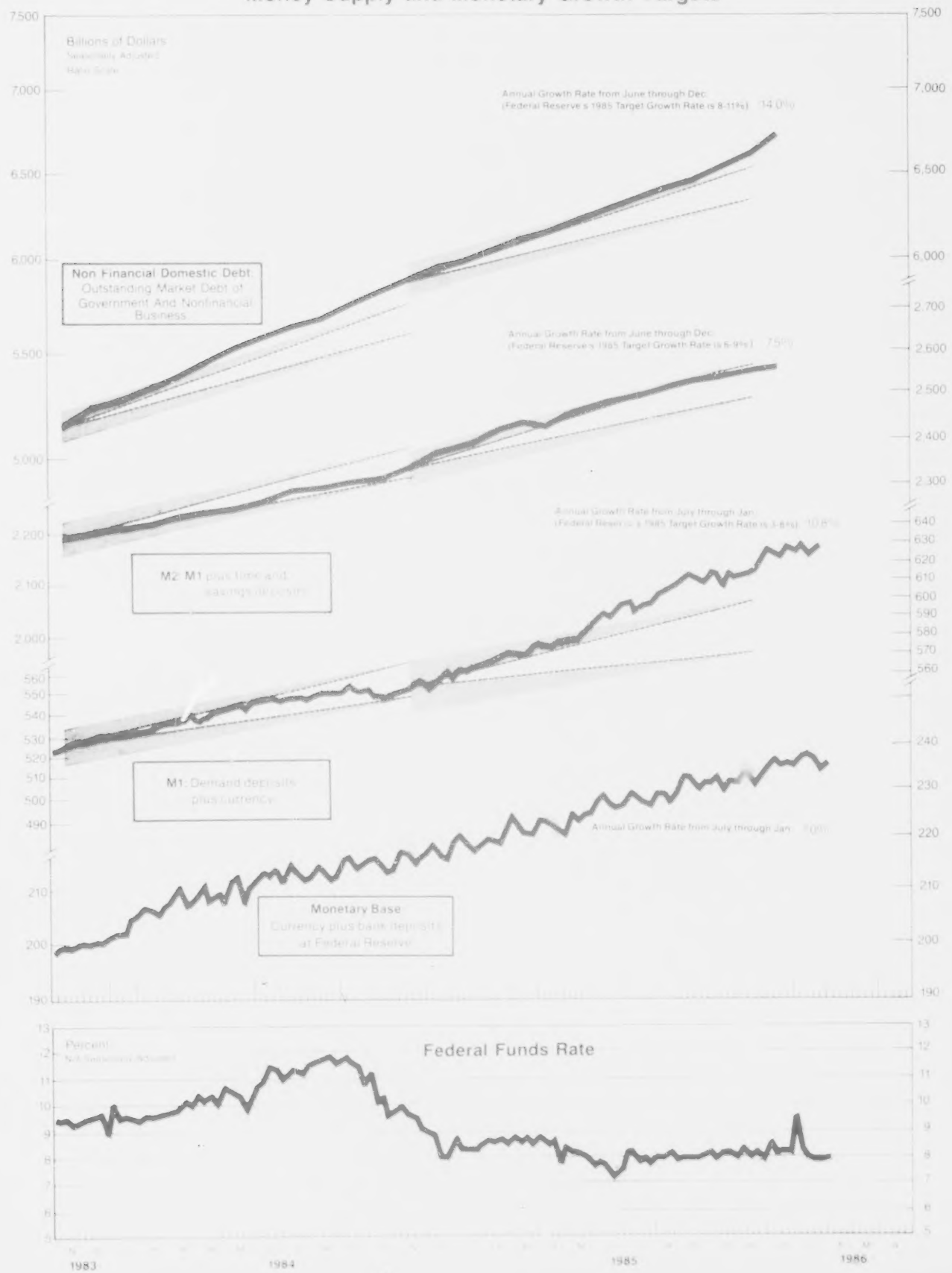
PERSPECTIVE ON THE FEDERAL BUDGET
(Billions of Current Dollars)

	Fiscal 1986		Fiscal 1987		Fiscal 1988	
	Administration's Latest Estimate	Congress's Latest Estimate	Administration's Latest Estimate	Congress's Latest Estimate	Administration's Latest Estimate	Congress's Latest Estimate
	(8/30/85)	(8/15/85)	(8/30/85)	(8/15/85)	(8/30/85)	(8/15/85)
Receipts	$ 779.8	$ 790.0	$ 850.1	$ 858.0	$ 937.0	$ 939.0
Outlays	957.7	965.0	989.4	1,021.0	1,036.8	1,082.0
Deficit	177.8	175.0	139.3	163.0	99.8	143.0
Receipts by source						
Individual income taxes	356.8	362.5	389.8	395.0	429.8	434.0
Social security	287.2	285.2	309.6	305.0	343.8	338.0
Corporate income taxes	59.5	72.5	81.2	87.0	94.4	96.0
Other receipts	68.4	69.7	69.6	71.0	69.0	71.0
Outlays by function						
Social security and medicare	269.3	270.0	287.0	290.4	308.3	312.9
National defense	292.1	292.1	285.2	285.2	303.9	304.0
Income security	119.2	121.5	119.4	124.2	124.1	130.6
Health	34.8	34.9	35.7	37.6	37.1	40.7
Education and manpower	30.4	30.8	28.4	31.3	28.2	32.1
Transportation	26.1	25.8	25.8	27.7	24.7	28.1
Veterans benefits	26.6	26.8	26.8	27.3	27.7	27.7
International affairs	21.4	18.9	19.1	17.3	18.0	16.4
Agriculture	16.4	19.2	10.6	16.2	9.3	13.7
Natural resources	12.4	13.0	11.6	12.8	11.5	13.0
General science	9.4	9.4	9.4	9.4	9.6	9.0
Justice	5.6	6.8	6.8	7.0	6.2	7.2
Community development	7.4	8.0	6.5	7.3	5.9	6.6
General government	5.0	5.0	5.0	5.2	5.1	5.5
Commerce, housing credit	2.8	4.7	1.0	3.4	1.6	5.2
Energy	3.8	3.8	3.1	5.2	1.8	4.5
Revenue sharing	2.9	6.5	2.7	3.2	1.8	2.1
Interest	136.1	137.1	147.6	149.0	161.8	165.0
Allowances	0.0	1.7	0.8	1.3	1.9	- 0.5
Offsetting receipts	39.4	39.9	39.0	37.1	39.0	41.9

ECONOMIC ASSUMPTIONS OF THE BUDGET

GNP						
Current Dollar	$4,236.7	$4,217.0	$4,589.4	$4,548.0	$4,959.3	$4,905.0
Constant (1972) Dollar	1,754.6	1,743.0	1,824.8	1,802.0	1,897.6	1,865.0
Percent change in						
Current dollar	8.5%	8.2%	8.3%	7.8%	8.1%	7.9%
Constant (1972) dollar	4.2	3.6	4.0	3.4	4.0	3.5
Implicit price deflator	4.1	4.3	4.2	4.3	3.9	4.2
Consumer price index	4.2	4.5	4.2	4.4	3.9	4.2
91-Day T-bill rate	7.1	7.4	7.0	7.2	5.9	7.2
Unemployment rate	6.8	7.0	6.6	6.8	6.3	6.6

Money Supply and Monetary Growth Targets



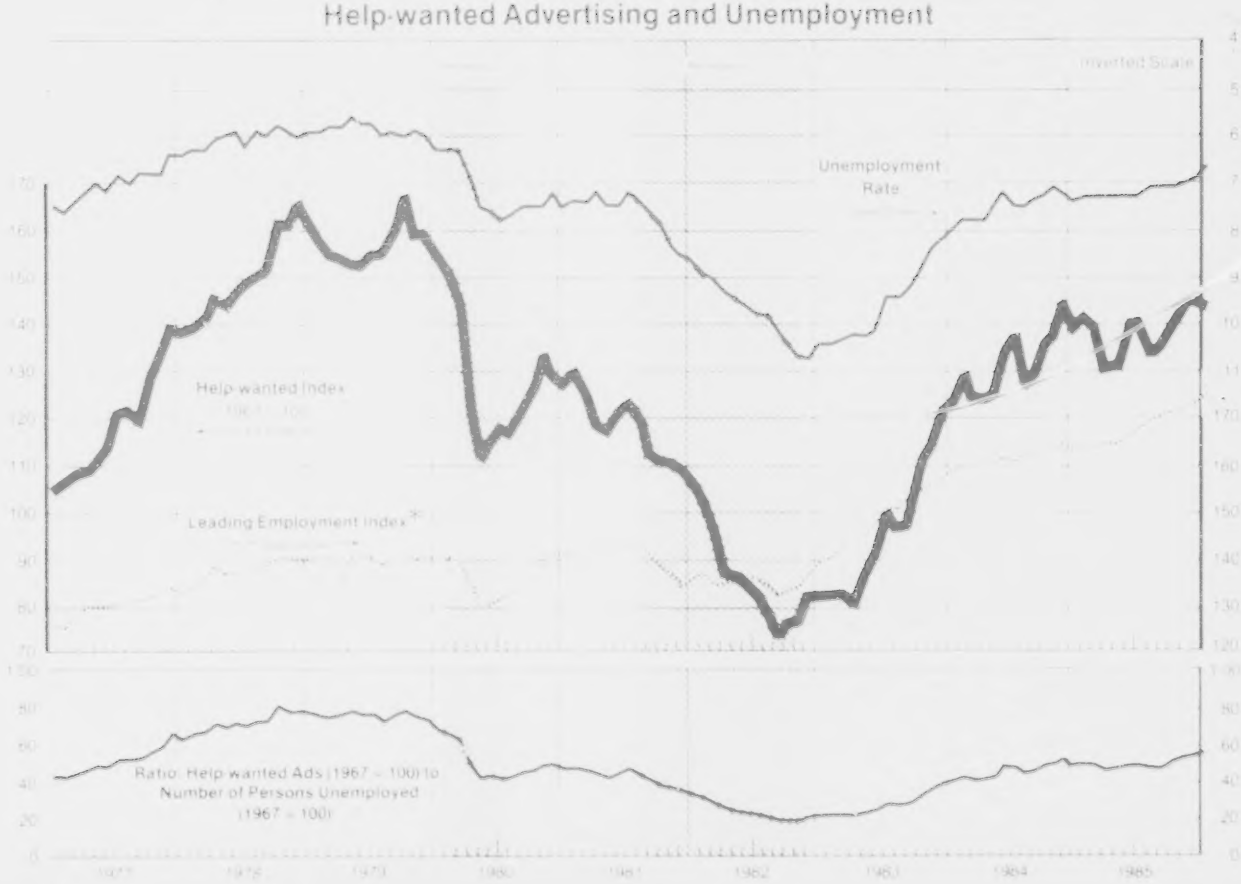
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEXES

Seasonally Adjusted Indexes, 1967 = 100

Locality	1985 Dec.	1985 Nov.	1985 Oct.	1984 Dec.
National Index	135	144	140	145
New England	157	161	157	164
Boston	169	171	164	168
Hartford	121	160	166	143
Providence	136	163	104	156
Middle Atlantic	78	79	72	85
Albany	150	140	135	145
Allentown	164	163	163	160
New York	73	74	68	73
Philadelphia	73	80	67	84
Pittsburgh	88	87	79	91
Rochester	90	90	90	88
Syracuse	92	108	154	117
East North Central	90	91	90	94
Chicago	104	103	98	107
Cincinnati	141	140	140	154
Cleveland	74	76	78	82
Columbus	161	170	141	164
Dayton	96	94	94	110
Detroit	82	81	81	82
Gary	111	111	111	111
Indianapolis	116	116	96	114
Milwaukee	80	79	79	83
Toledo	136	140	140	144
West North Central	96	96	93	98
Kansas City	97	100	94	104
Minneapolis	111	110	110	110
Omaha	141	138	138	137
St. Louis	82	82	83	90
South Atlantic	130	132	130	135
Atlanta	164	167	167	167
Baltimore	120	120	120	120
Charlotte	149	141	143	151
Jacksonville	230	240	217	208
Miami	111	86	85	77
Richmond	128	120	116	105
Washington, D.C.	190	187	179	178
East South Central	155	149	150	143
Birmingham	179	171	160	149
Knoxville	204	195	200	196
Louisville	102	94	92	76
Memphis	114	111	102	107
Nashville	241	207	234	223
West South Central	253	273	221	291
Dallas	421	307	308	423
Houston	273	270	267	358
New Orleans	126	102	101	130
Oklahoma City	135	134	120	159
San Antonio	155	183	199	191
Tulsa	147	139	124	177
Mountain	383	337	324	369
Denver	205	204	203	231
Phoenix	463	506	482	552
Salt Lake City	194	357	335	378
Pacific	201	214	208	206
Los Angeles	148	150	150	153
Sacramento	376	386	369	329
San Bernardino	231	220	269	210
San Diego	461	486	473	404
San Francisco	191	228	207	238
Seattle	189	188	192	186
Percentage of papers with yearly volume	69	69	69	82
Unemployment rate	6.9	7.0	7.1	7.2

Note: For more data, see Help-Wanted Advertising (Part 2 of 4). The Conference Board, 1977.

Help-wanted Advertising and Unemployment


Inverted Scale
Unemployment Rate
Help-wanted Index
Leading Employment Index
Ratio: Help-wanted Ads (1967 = 100) to Number of Persons Unemployed (1967 = 100)

CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND BUYING PLANS

Indexes, 1985 = 100
(Seasonally Adjusted)

REVISED

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1983	70.8	70.1	81.2	81.8	85.9	87.0	87.8	89.9	92.2	93.5	96.7	104.9
1984	99.8	97.6	94.0	94.3	92.3	103.7	98.5	101.6	102.4	101.7	106.1	98.7
1985	101.0	104.1	98.0	101.0	96.6	100.0	101.2	99.6	98.9	99.3	98.7	99.8
1986	97.6											

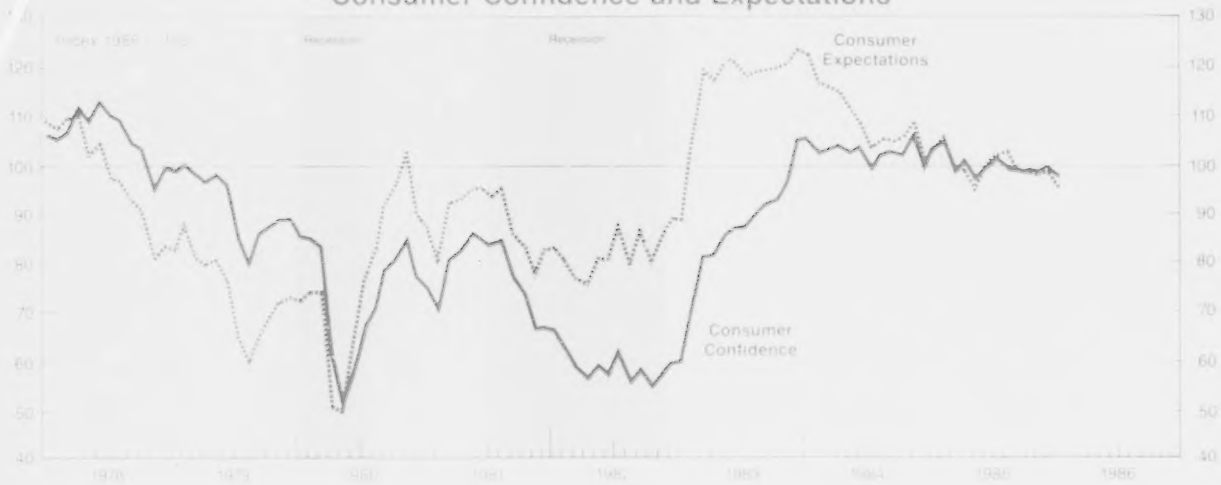
Buying Plans Index

1983	94.8	94.4	92.6	88.8	84.7	88.0	94.4	85.0	101.6	102.2	99.2	99.3
1984	97.1	99.0	93.7	98.8	103.0	104.9	93.5	96.5	88.5	92.7	96.0	91.9
1985	104.1	96.1	99.4	97.9	89.0	96.1	93.1	98.4	107.3	110.3	101.2	108.8
1986	104.2											

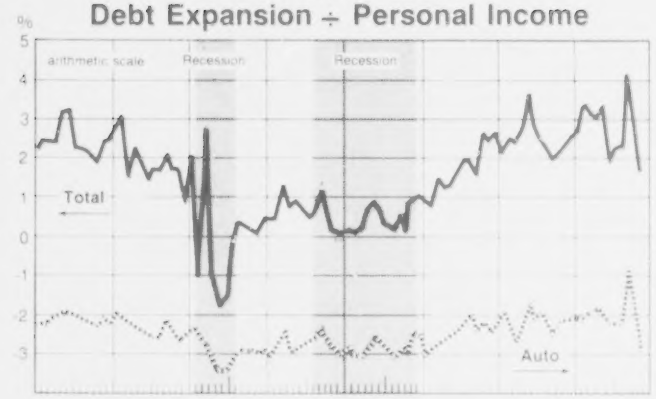
(1) Index is a composite of five components: Present Situation, Expectations, Buy Cars, Buy Homes, Buy Appliances. Present Situation Index measures consumers' assessment of current business conditions and employment and income levels six months hence. Data for 1967-1981 are available from January 1967 to May 1981 and base year of this series is 1967. A description of these indexes appears in The Conference Board Consumer Confidence Survey.

Source: The Conference Board, "Monthly Economic Indicators" p=preliminary r=revised

Consumer Confidence and Expectations



Consumer Installment Debt Expansion ÷ Personal Income



Retail Sales

CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

REVISED

Millions, Seasonally Adjusted at Annual Rate

Periods		1983	1984	1985	1986
January	1-10	6.17	8.16	8.69	7.97
	11-20	6.20	7.84	8.15	9.63
	21-31	5.60	9.15	8.62	8.40
February	1-10	5.86	7.79	7.97	
	11-20	5.30	9.17	6.04	
	21-28(29)	6.07	7.60	8.58	
March	1-10	5.61	7.35	8.14	
	11-20	6.10	8.13	8.44	
	21-31	6.19	7.35	7.94	
April	1-10	6.69	8.88	8.16	
	11-20	6.52	7.96	9.12	
	21-30	6.35	8.60	8.46	
May	1-10	6.67	8.75	7.45	
	11-20	6.30	7.74	8.69	
	21-31	6.97	8.43	7.70	
June	1-10	7.23	7.22	8.21	
	11-20	7.34	8.25	8.02	
	21-30	7.28	8.10	7.16	
July	1-10	7.25	9.51	7.89	
	11-20	7.36	8.32	7.47	
	21-31	7.43	8.59	7.53	
August	1-10	7.39	7.33	5.47	
	11-20	6.11	8.07	8.39	
	21-31	6.65	7.43	13.29	
September	1-10	6.26	8.13	12.76	
	11-20	7.21	8.52	10.63	
	21-30	6.55	6.03	9.49	
October	1-10	7.52	7.83	7.44	
	11-20	7.56	7.07	6.27	
	21-31	7.45	7.70	6.75	
November	1-10	6.96	6.60	6.04	
	11-20	6.55	8.44	6.66	
	21-30	7.62	6.57	6.70	
December	1-10	7.30	8.75	7.72	
	11-20	8.09	7.96	6.74	
	21-31	8.48	8.19	10.38	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically.) Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board. Prior data available upon request.

Domestic-Model Car Sales